

### July 21, 1989

TO:

Minerals File

FROM:

Holland W. Shepherd, Reclamation Soils Specialist HWS

RE:

Site Visit, Drum and Alto-Ibex Sites, Jumbo Mining, M/027/007 and M/023/013, Millard and Juab Counties, Utah

On July 13, 1989, James Leatherwood, Henry Sauer, and I visited the Drum and Alto-Ibex sites. The purpose of the visit was to collect and evaluate soil samples on the waste material at each of these sites.

A composite sample was collected from the slope of waste dump W-5, and the southwest side. The material was predominantly composed of pulverized mine wastes. Pictures were taken of the sample site and will be inserted in the file once processed. The evaluation of this sample is not yet complete.

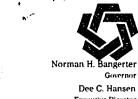
A composite sample was also collected at the top of the proposed Alto pit area. Photos have been taken of the sample site. Results from a soil analysis have not yet been complete. The material collected appears predominantly rhyolitic in nature so will probably prove to be fairly inert.

The Division had earlier committed to Jumbo Mining to collect samples at the Alto-Ibex site. The samples are to be evaluated for any toxic qualities, and nutrient content.

Mr. Ed King, President of Jumbo Mining was on site at the time of our visit. We stopped and conversed briefly with Mr. King then went on to tour the site and collect samples.

The two large process ponds, each 100 feet square, have not yet been fenced to keep out wildlife. This was something which was requested in our last permit review correspondence with the operator.

jb cc: Lowell Braxton Wayne Hedberg James Leatherwood Henry Sauer MN4/146



# State of Utah department of natural resources division of oil, gas and mining

Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

Bookernor

355 West North
3 Triad Center,
Salt Lake City, U

355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203

July 13, 1989

TO:

Board of Oil, Gas and Mining

THRU:

Lowell P. Braxton, Associate Director, Mining

FROM:

D. Wayne Hedberg, Senior Reclamation Specialist/Hydrologist

RE:

Request for Board Concurrence, Amount and Form of Reclamation Surety and Permit Transfer, Drum Mine, Jumbo Mining Company/Western States

Minerals Corporation, M/027/007, Millard County, Utah

Attached for your information are copies of an updated reclamation surety estimate, the proposed Reclamation Contract (Form MR-RC), the amount and proposed form of reclamation surety and the permit transfer document (Form MR-TRL) for Jumbo Mining Company's (Jumbo), Drum Mine, located in Millard and Juab Counties, Utah.

Jumbo Mining Company has purchased the Drum Mine property from Western States Minerals Corporation (WSMC). A revised reclamation surety estimate of \$162,000 has been calculated by the Division to cover the projected costs to reclaim the minesite (in 1994 dollars) disturbances.

The proposed form of surety will be United States Treasury Bills which will be held in the name of the State of Utah, Division of Oil, Gas and Mining, and the U.S. Department of the Interior, Bureau of Land Management. Securities transactions will be handled by and processed through the Utah State Treasurer's office.

The revised reclamation surety also includes the projected reclamation costs for additional proposed surface disturbance (approximately 11 acres - \$19,000) associated with a recent Drum Mine permit amendment filed by Jumbo.

Upon the Board's acceptance of the amount and form of the revised reclamation surety, the Division will issue written approval for the permit transfer between Jumbo and WSMC, and the permit amendment.

jb Attachments MN2/36

Prepared By Utah State Division of Oil, Gas and Mining April 4, 1989

Description	Quantity	Total Unit	\$/Unit	Cost (\$)
Drum Mine Pit and Decline Reclamation Remove Trash Construct Berms Along Highwalls Construct Seal 100' Inside Portal Backfill Portal Rip Roadways in Pits Revegetate *	5 2,000 12.0	Lump Sum Linear Feet Portals Cubic Yards Acres Acres	4.70 1,000 0.60 150 175	2,000 5,640 5,000 1,200 1,800 2,100
Subtotal				17,740
Heap Leach Pad Reclamation Decommission Heap Leach Pads Remove Trash Grade to a 3h:1v Slope Haul and Spread Topsoil Revegetate *	39.4 41.5 2,000	Acres Acres Acres Cubic Yards Acres	250 100 0.63 175	3,940
Subtotal				22,300
Drum Mine Waste Dumps Reclamation Remove Trash Grade to a 3h:1v Slope Revegetate *		Acres Acres Acres	100 175	2,550 5,180
Subtotal				7,730
Facilities Reclamation Demolish and Dispose of Buildings Remove Fenceline Remove 6" Pipeline Plug Drill Holes Remove Trash Rip Roads Revegetate *	5,000 15,030 38,000 30 40.0 23.3 40.0	Linear Feet Linear Feet	1.25	14,500 18,790 0 3,000 4,000 3,500 7,000
Subtotal				50,790
Totals Add Contingency (10%)				98,560 9,860
TOTAL RECLAMATION COST (1989 Dollars)				108,420
TOTAL RECLAMATION COST (1994 Dollars) @	1.93% Ann	ual Inflation	1	119,000

Prepared By Utah State Division of Oil, Gas and Mining April 4, 1989 (Continued)

### **Cost Parameters Used**

				<del></del>
621B Scraper (0&0) Production D-8 Dozer (0&0) Production Speed w/ripper		\$/hour Cubic Yard \$/hour LCY/hour mph	s/hour	
Labor Only Trash Removal Farm Tractor (0&0) Speed Width of Pass	24 100 67 4 6	· ·		
Revegetation Cost per Acre	Quantity	Unit	\$/Unit	Total Cost (\$)
Bare Costs Seed Mix	19	Pounds	7.37	140
Application Costs Seed Mix (broadcast by hand) Scarify (tractor with chain)		Hours Hours	24 67	12 23
Subtotal	•			35
Total Revegetation Cost per Acre				175

Prepared By Utah State Division of Oil, Gas and Mining May 22, 1989

			Jumbo Mini	Jumbo Mining Company	Wester nerals	Western States erals Corporation	Grand	Grand Totals
Description	Unit	\$/Unit	Quantity	Cost (\$)	Quantity	Cost (\$)	Quantity	Cost
Drum Mine Pit and Decline Reclamation Remove Trash Construct Berms Along Highwalls Construct Seal 100' Inside Portal Backfill Portal Rip Roadways in Pits	Lump Sum Linear Feet Portals Cubic Yards Acres	4.70 1,000 0.60 150 175	1,200 2,000 12.0 12.0	2,000 5,640 5,000 1,200 1,800 2,100	00000	00000	1,200 2,000 12 12	2,000 5,640 5,000 1,200 1,800 2,100
Subtotal				17,740		0		17,740
Heap Leach Pad Reclamation Decommission Heap Leach Pads Remove Trash Grade to a 3h:1v Slope Haul and Spread Topsoil Revegetate *	Acres Acres Acres Cubic Yards Acres	490 100 800 0.63 175	29.4 29.4 29.4 2,000 29.4	14,300 2,940 23,520 1,260 5,150	16.3 16.3 16.3 (a)	7,990 1,630 13,040 2,850	45.7 45.7 45.7 (a) 45.7	22,290 4,570 36,5 1,260 8,000
Subtotal				47,170		25,510		72,680
Drum Mine Waste Dumps Reclamation Remove Trash Grade to a 3h:1v Slope Revegetate *	Acres Acres Acres	100 800 175	2.5 2.5 5.5	2,000	25.5 25.5 25.5	2,550 20,400 4,460	28.0 28.0 28.0	2,800 22,400 4,900
Subtotal				2,690		27,410		30,100

Prepared By Utah State Division of Oil, Gas and Mining May 22, 1989

Cost )	14,500 18,790 3,000 4,000 3,500 7,000 50,790 171 171 188,440
Grand Totals Quantity Cost	5,000 15,030 38,000 40.0 23.3 40.0
States orporation Cost (\$)	0 0 0 0 0 0 0 0 0 0 0 5,2920 5,290 5,290 5,290 64,000
Western States Minerals Corporation Quantity Cost (\$)	000000
Jumbo Mining Company  Quantity Cost (\$)	14,500 18,790 3,000 4,000 7,000 7,000 118,390 11,840 130,230
Jumbo Minii Quantity	2.90 5,000 14 1.25 15,030 18 (b) 38,000 3 100 40.0 3 150 23.3 3 175 40.0 50
\$/Unit	<b>—</b>
Unit	Square Feet Linear Feet Each Acres Acres Acres
Description	Facilities Reclamation  Demolish and Dispose of Buildings  Remove Fenceline Remove 6" Pipeline Plug Drill Holes Remove Trash Remove Trash Revegetate *  Subtotal  Totals  Add Contingency (10%)  TOTAL RECLAMATION COST (1994 Dollars) @ 1.93% Annual

<sup>(</sup>a) The solution for the topsoil deficiency has not been determined. (b) The salvage value exceeds removal cost. A bid was provided. Notes:

Prepared By Utah State Division of Oil, Gas and Mining May 22, 1989 (Continued)

### **Cost Parameters Used**

621B Scraper (0&0) Production D-8 Dozer (0&0) Production Speed w/ripper	150 240 160 300 1	\$/hour Cubic Ya \$/hour LCY/hour mph		
Labor Only Trash Removal Farm Tractor (0&0) Speed Width of Pass	24 100 67 4	• •		
Revegetation Cost per Acre	Quantity	Unit	\$/Unit	Total Cost (\$)
Bare Costs Seed Mix	19	Pounds	7.37	140
Application Costs Seed Mix (broadcast by hand) Scarify (tractor with chain)	0.5 0.3	Hours Hours	24 67	12 23
Subtotal				35
Total Revegetation Cost per Acre				175

Prepared By Utah State Division of Oil, Gas and Mining November 25, 1988 Revised 6-13-89

Description	Quantity	Unit	\$/Unit	Total Cost (\$)
Alto Pit Reclamation Remove Trash Construct Berm on Highwall Plug Drill Holes Rip Roads Grade for Uniformity Revegetate * Subtotal	450 20 900 2.9	Acres Linear Feet Each Linear Feet Acres Acres	100	380 2,120 2,000 540 1,250 510
Keystone Test Pit Reclamation Remove Trash Plug Drill Holes Rip Roads Grade for Uniformity Revegetate *	7 400 0.5	Acres Each Linear Feet Acres Acres	100 100 0.60 430 175	90 700 240 220 90
Subtotal				1,340
Monarch Test Pit Reclamation Remove Trash Plug Drill Holes Rip Roads Grade for Uniformity Revegetate * Subtotal	3,500	Each Linear Feet Acres	100 100 0.60 430 175	370 500 2,100 1,290 530 4,790
Ibex Decline Reclamation Remove Trash Plug Drill Holes Construct Seal 100' Inside Portal Backfill Portal Revegetate * Subtotal	0.5 5 400 0.5	Acres Each Lump Sum Cubic Yards Acres	100 100 0.60 175	50 500 1,000 240 90
Totals Add Contingency (10%)				14,810 1,480
TOTAL RECLAMATION COST (1988 Dollars) TOTAL RECLAMATION COST (1989 Dollars) @ TOTAL RECLAMATION COST (1994 Dollars) @			1	16,290 17,000 19,000





CLYDE, PRATT & SNOW

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

200 AMERICAN SAVINGS PLAZA 77 WEST SECOND SOUTH SALT LAKE CITY, UTAH 84101 PHONE 322-2516 AREA CODE 801

TELECOPIER: (801) 322-2516 EXT 56

FILE NO.

\*ADMITTED IN WASHINGTON, D.C.

EDWARD W. CLYDE

STEVEN E. CLYDE

EDWIN C. BARNES

GARY L. PAXTON

L. MARK FERRE NEIL A. KAPLAN\* JOHN W. ANDERSON D. BRENT ROSE

THEODORE BOYER, JR.

JAMES L. WARLAUMONT H. MIFFLIN WILLIAMS III STEPHEN B. DOXEY ANNELI R. SMITH

ELLIOTT LEE PRATT RODNEY G. SNOW

July 11, 1989



Department of Natural Resources Division of Oil, Gas and Mining 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203

DIVISION OF OIL, GAS & MINING

RE: Jumbo Mining - Drum Mine Transfer of Permit

Gentlemen:

Enclosed please find the Transfer of Notice of Intention Large Mining Operations form MR-TRL, which has been executed by the transferor, Western States Minerals Corporation, and the transferee, Jumbo Mining Company.

I assume this will reach you in time to place this transfer request on the agenda for the July 27 meeting of the board. Should you have any questions regarding this, please do not hesitate to contact me.

Sincerely,

CLYDE, PRATT & SNOW, P.C.

Steven E. Clyde

SECjl Enclosure cc: Ed King FORM MR-TRL (Revised 3/89)

, ,	or Di <sup>,</sup> ion Use:
) !	.ile No.:
	Effective Date:
	DOGM Lead:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340



TRANSFER OF NOTICE OF INTENTION LARGE MINING OPERATIONS

DIVISION OF OIL, GAS & MINING

		00000
1.	(a)	Notice of intention to be transferred (file number): M/027/007
	(b)	Name of mining operation:
	(c)	Location of mining operation (county):Millard, Juab
	(d)	Name, telephone number and mailing address of the operator currently holding the notice of intention (transferor):
	•	Western States Minerals Corporation
		4975 Van Gordon Street Wheatridge, Colorado 80033
2.	(a)	Name, telephone number and mailing address of the operator aquiring the notice of intention (transferee):  Jumbo Mining Company
		6305 Fern Spring Cove
	(b)	Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act may be sent:  Same as above Mr. E.B. King
3.	(a)	The total disturbed area identified in the approved notice of intention: 143.7 acres original; 106.16 Acres ReviseD.
	(b)	The actual number of acres disturbed by the operation through date of transfer: 100.16
	(c)	Attach a legal description of above acreages as Appendix "A" and a map of suitable scale with actual disturbed areas clearly shown and identified. On FILE

4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC).

### SWORN STATEMENT OF TRANSFEROR

I, ALLAN R. CERNY being first duly sworn under
oath, deposes and says that I am SECRETARY
of MINERALS CORPORATION; and that I am duly authorized to
execute and deliver the foregoing obligations; that I have read
the said application and fully know the contents thereof; that
all statements contained in the transfer application are true
and correct to the best of my knowledge and belief based upon
the attached map and calculations forwarded to me by E. B.
King of Jumbo Mining Company. By execution of this statement
I certify that the Transferor is in full compliance with the
Utah Mined Land Reclamation Act, the Rules and Regulations
Promulgated thereunder, and the terms and conditions of Notice
of Intention No. M/027/007.

Western States Minerals Corporation hereby makes no representation in regard to the allocation of responsibility for reclamation as between Western States Minerals Corporation and Jumbo Mining Company.

Subscribed and sworn before me this 6 day of 99.

My commission expires:

State of <u>Lelando</u>.) County of <u>Juperson</u>.) ss.

# FINAL SWORN STATEMENT OF TRANSFEREE

E.B. King	being first duly sworn under oath,
depose and say that I am	
	(officer or agent)
of	; and that I am duly authorized to
execute and deliver the foregoing	obligations; that I have read the
application and fully understand	the contents thereof; that all statements
contained in the transfer applica	tion are true and correct to the best of my
	on of this statement, the Transferee agrees
to be bound by the terms and condi	
	ned Land Reclamation Act, and the Rules and
Regulations promulgated thereunder	
the state of the s	property of the control of the second state of the second
	Signature  Name (Typed or Print) E.B. King
	Title President
Subscribed and sworn before me	this <u>10t</u> Hday of <u>July</u> , 19 <u>89</u> .
	Notary Public
dy commission Expires:	
Jebreary 10, 19 90.	
State of _ Lax	)
County of Sace Take	) ss. )

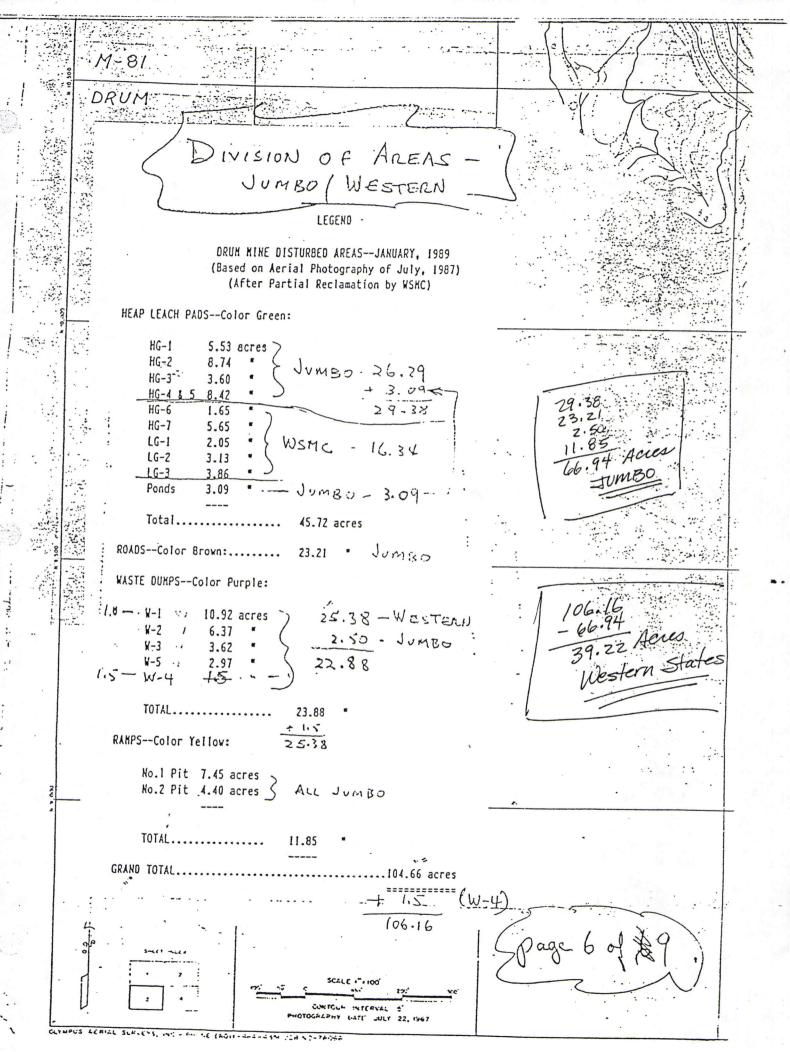
MN9/45-48

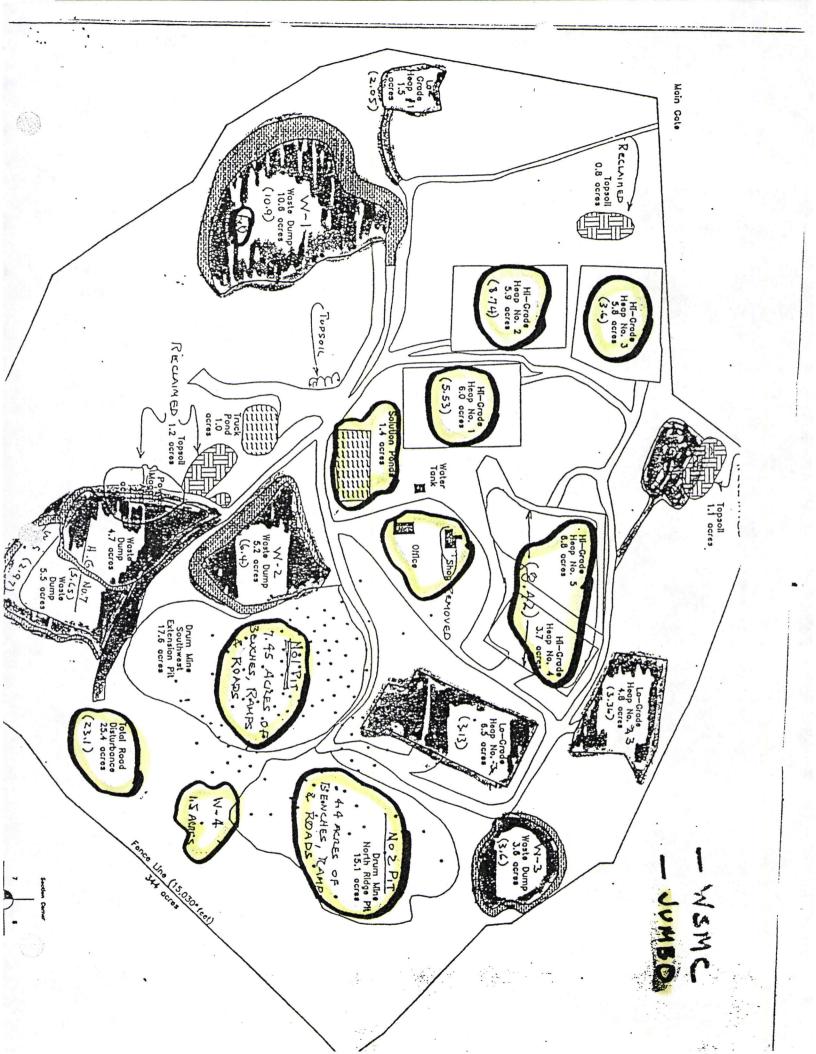
### CERTIFICATION OF APPROVAL

This is to certify that I have examined the foregoing application and do hereby grant the same, subject to the following limitations and conditions:

- (a) This transfer of notice of intention grants only the right to affect the lands described in Appendix "A".
- (b) The transferee has provided to the Division a fully executed and signed Reclamation Contract (Form MR-RC). The surety shall be effective on the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, has acquired legal right to mine for lands described in Appendix "A".

COMMENTS:			
	<del></del>		
APPROVED:			
	(Signature) Director, Divisi	ion of Oil, Gas and M	ining
		Effective Date: NOI No.:	
APPROVED AS	TO FORM:		
(Signature) Assistant A	ttorney General		
	•		





July 7, 1989

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Mr. Lowell Braxton

Gentlemen:

Enclosed please find a draft of the Reclamation Contract (Form MR-RC) which we propose to submit. We have not included pages 3-8 because there is no additional data that needs to be entered.

The proposed please find a draft of the Reclamation Contract (Form MR-RC) which we propose to submit. We have not included pages 3-8 because there is no additional data that needs to be entered.

The proposed please find a draft of the Reclamation Contract (Form MR-RC) which we propose to submit. We have not included pages 3-8 because there is no additional data that needs to be entered.

The proposed please find a draft of the Reclamation Contract (Form MR-RC) which we propose to submit. We have not included pages 3-8 because there is no additional data that needs to be entered.

We are also enclosing a pledge plan developed by Texas Commerce Bank-Austin, which fulfills your requirements of posting of surety relative to the reclamation bond, as discussed this date with Mr.

If you have any questions or comments, please call me at phone 512-346-4537.

gry truly yours,

Treasuries

Janet King Vice President

File	Number	•
Effec	ctive D	ate

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

(801)	1) 538-5340
RECLAMA	359-3940 fat ATION CONTRACT lawell plrastan
	-00000
For the purpose of this REC defined as follows:	LAMATION CONTRACT the terms below are
"NOTICE OF INTENTION" (NOI): (F	ile No.) an 1027/007
(Mineral	Mined) goed
"MINE LOCATION":	
(Name of Mine)	Drum Mountain Traje
(Description)	4 Dum Mine :
"DISTURBED AREA":	
(Disturbed Acres)	106.16 Drum Mine
(Legal Description	1) Exhibit A - on file
"OPERATOR":	
(Company or Name)	Quanto
(Address)	
(Phone No.)	
(1) plus approximates mais	y 10 acres for Drum
Mountain Brazi	let "

Page 1 of \_\_\_\_

	2 - 2011
"OPERATOR'S REGISTERED AGENT":	rentice Hallewices
(Name)	DABAN 102670 2101670
(Address)	O Box 102670 Hearing Hearing 30.368-0670
	200-221-0470
(Phone No.)	
	E. B. Ling
"OPERATOR'S OFFICER(S)":	Janet Fing
	U.S. Bills
"SURETY": Exhibit B)	Collateral - Treasury Bills
(Form of Surety - Barrets	a ( Te
- COMPANYII	Texas Commerce Bank- Austin, Texas (to purchase & deliver U.S. Securities)
"SURETY COMPANY":  (Name, Policy or Acct. No.)	(La morchase & deliver U.S. Securities)
(Name, Forres	(40 par c )
"SURETY AMOUNT":	#162,000
(Escalated Dollars)	4 100
. (22-	1994
"ESCALATION YEAR"	
	State of Utah
"STATE":	State of Otal. Gas and Mining  Division of Oil. Gas and Mining
"DIVISION":	Board of Oil, Gas and Mining
"BOARD":	
	Revision Dates:
EXHIBITS: A "DISTURBED AREA":	
A "DISTORDED":  B "SURETY":	
P. DOUDTA	